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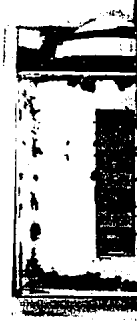

INFORMATION ON INDUSTRIAL PROGRESS IN CHINA

AIMS OF CHINA'S INDUSTRIAL CONSTRUCTION PROGRAM -- Hong Kong, Ching-chi Tao-pao, 12 May 53

At the Seventh All-China Congress of Trade Unions, Chia To-fu, Vice-Chairman of the Committee of Finance and Economics delivered a report on China's industrial conditions which disclosed that the aims of China's industrial construction program are to increase industrial production, to build China from an agricultural state into an industrial nation, and to strengthen national defense.

The plan for 1953, the first year of the Five-Year Plan, is to exceed the 1952 industrial production value by some 23 percent. The amount of iron, steel, coal, power, petroleum, nonferrous metals, machinery, construction materials, chemical products, and light industry products produced will be increased. In addition, a heavy industrial construction program will be of major importance in China's over-all industrialization program.

In 1953, 150 percent more capital will be put into industrial projects than in 1952. In heavy industries, emphasis will be placed on such programs as large-scale steel rolling mills, seamless steel tubing plants, and smelting furnaces. In the fuel industries, the following projects will be undertaken: installation of six large power stations, construction of eight verticle shaft and two open-pit mines, and drilling some 48,000 meters of oil wells and 15 additional producing wells. About ten new machine industry projects will be undertaken: automotive, heavy equipment, machine tool, measuring and cutting tool, blower, vessel transportation equipment, and textile equipment manufacturing plants.

PROGRESS IN LARGE-SCALE ECONOMIC RECONSTRUCTION PROGRAM -- Shanghai, Chung-kuo Kung-yeh, May 53

Progress made in April 1953 by the Ministries of Heavy Industry, Light Industry and Fuel Industry in their activities for the first year of the Five-Year Plan is as follows:

1. The construction work on the An-shan Iron and Steel Company has reached 560,000 square meters and the total work done was almost double that in 1952.

2. The Pneumatic Tool Plant of Mukden is being modernized. When this project is completed, the plant will produce 17 types of products and its productive capacity will be tripled.

3. A large-scale modern potassium chlorate plant is being constructed in Dairen-Port Arthur. In processing tassium chlorate, the raw material will go through ten stages before becoming the finished product. When this plant is completed its annual production will be three times that of the largest plant now producing potassium chlorate.

4. Construction work on the Harbin Electrical Equipment Plant No 4, which was started in 1951, is continuing. In the fall of 1952, construction work on a portion of the plant was completed and production started. By April 1953, nine work shops were completed. When the building program is completed, this plant will contain thousands of the most modern machines from the USSR, Czechoslovakia, and the GDR.

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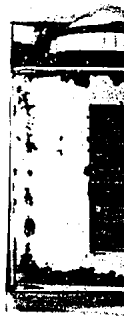

ADVANCEMENTS IN ECONOMIC CONSTRUCTION -- Hong Kong, Ching-chi Tao-pao, 21 Apr 53

For the first quarter of 1953, there were excellent results in the progress of such programs as industrial production, transportation and water conservation projects, and the discovery of new sources of raw materials.

During the first quarter of 1953, a number of plants exceeded their production goals: the An-shan Iron and Steel Company, cast iron, by 7.58 percent; the Wu-san Plant, by 16.4 percent; and the Lung-yen Iron Mine, by 2.263 percent. Other plants that made great strides were the Shanghai Ch'iu-chiang Machinery Plant, the Shih-ching-shan Iron and Steel Plant, the T'ang-shan Power Plant, the Chungking Iron and Steel Plant No 104, and the Tsinan Machinery Plant No 2.

On 23 January 1953, the construction work on the Chungking Electrical Power Plant No 507 was started. When completed sometime in 1953, it will become one of the largest power plants in the Southwest, with mechanized Soviet equipment.--Huai Fu

FOODSTUFF INDUSTRY IN CHINA -- Shanghai, Chung-kuo Kung-yeh, Dec 49

Statistics on the Foodstuff Industry in China are as follows:

1. Flour Industry (figures are taken from statistics of the National Joint Flour Conference)

Number of mills: 199

Daily productive capacity: 282,385 sacks (excluding the Northeast, which, according to prewar figures, had 48 mills producing 55,100 sacks and 114,470 pood [one pood equals 36.113 pounds].

According to a rough estimate by the author, the productive capacity of China's flour industry is approximately 440,000 bags per day. A total of 303,160 shih-tan, or 176,000 sacks of wheat per day is required for this capacity. The annual wheat consumption of these plants would be 109,137,600 shih-tan. These figures, however, are based on plant capacity. Actually, because of a limited wheat supply, the normal production figure does not exceed 40-50 percent of this estimated figure.

2. Rice-Hulling Industry (Statistics presented here are the 1935 figures, which are considered rather complete)

Mills [mechanized]

Provinces	Number of Mills	Annual Production (in shih) [one shih is equivalent to 2.94 bushels]
Kiangsu	388	4,311,860
Sungkiang	451	2,618,855
Anhwei	163	1,022,700
Kiangsi	105	1,581,000
Hunan	84	2,928,677
Kwangtung	60	2,422,540
Total	1251	14,885,632

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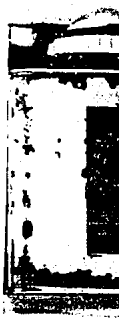

Hand Mills

Total number: 6,160

Annual production: 12,675,110 shih

TRAINING OF CONSTRUCTION TECHNICIANS -- Peiping, Hsin Kuan-ch'a, 1 Jan 53

China is training various types of specialists in the fields of designing and operations for geological surveys, metallurgical projects, machinery manufacturing, and basic construction projects. During the last quarter of 1952 and after the reorganization of the institutions of higher learning, the number of students who registered in technical schools of the 41 technical colleges and ten universities totaled over 33,000. In 1953, the plan is to establish more technical secondary schools in order to train more specialists in such fields as geology, nonferrous metals, chemistry, iron and steel, surveying, and building material. In addition, the Ministry of Fuel Industry is planning to train high and middle level personnel such as 2,000 technical drilling cadres and some 6,000 drillers for the various administrative areas. Technical personnel will also be trained by the Ministries of Railway and Transportation.

In the summer of 1952, some 80 percent of the students who took entrance examinations voluntarily designated technology and engineering as their first priority. During the summer session of the same year, over 22 percent of the students in institutions of higher learning and 60 percent of those in secondary schools were listed as workers or peasants.

BUILDING CONSTRUCTION PROJECTS ADOPT WORK FLOW SHEETS -- Peiping, Hsin Kuan-ch'a, 1 Jan 53

Work flow sheets have been used in many plants and mines as an aid to speed up and increase production. At present, this practice has been adopted in the fields of construction engineering and cooperative management where they may be used in many respects with equal success.

CHINA'S INDUSTRIAL PROBLEMS -- Shanghai, Kung-shang, 25 Apr 52

The economy of the new democracy of China must be changed gradually from that of an agricultural state to an industrial state. The conditions that the present China has inherited from the past are as follows:

1. Weak modern industrial production capacity
2. Imperialistic, monopolized Chinese industries
3. Capital controlled by officialdom
4. Abnormal industrial development
5. Industries built without regard to the interests of the masses

The industrial policies under the N Democracy are as follows:

1. Increased development of heavy industry
2. Gradual development of light industries
3. Building up of local industries

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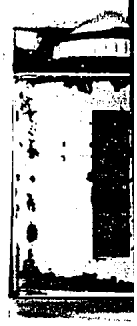

4. Reorganization of handicraft industries

5. Supporting of privately operated industries

6. Practicing the theories of increased production and the austerity movement.

After 2 years of guidance by the People's Republic of China, Chinese industries have adopted a completely new outlook. Both private and state-operated industries have recovered to a great extent and also expanded somewhat. Heavy industry must continue to grow to meet the needs of national defense and economic reconstruction. Previously, China depended on imports to meet the demand for light industry products, but now she is basically able to supply her own needs.

GEOGRAPHICAL DISTRIBUTION OF INDUSTRIES -- Shanghai, Chung-kuo Kung-yeh, 21 Sep 50

The basic principles in determining the geographical distribution of industries in China are as follows:

1. Distribute the factors of production equitably throughout China

2. Establish industries near the sources of material and also at the places of distribution

3. Increase the productive ability of backward border areas

4. Create joint industries in economic territories

5. Abolish rural-urban competition

6. Strengthen national defense

In China, heavy industry has been concentrated in the Northeast and light industry in Shanghai. This situation is not only serious but illogical. In 1935, under the Nationalist Government, there was a total of 6,344 industrial plants concentrated in seven cities and 11 provinces. Of this number, 5,418 were in Shanghai. In 1948, according to KMT statistics, 7,738 of the 14,078 manufacturing plants were in Shanghai.

Over 50 percent of the textile mills in China were located in Shanghai but the raw material came from Hupeh and Shensi where relatively few textile mills were established. Likewise, industries were far from coal sources and farm products were far from processing plants. Such faults were brought about by imperialistic pressures, the concentration of the banking industry, officials, and land owners in urban areas, and the poor distribution of the labor force. -- K'ang Chun

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